

# **Environmental Audit Committee: 2018 Fixing Fashion Inquiry**

## **Follow up**

Evidence submitted by

Caroline Rush CBE, CEO British Fashion Council

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### **Introduction**

The fashion industry is a significant contributor to the British economy. In 2019, pre the pandemic, the industry contributed £35bn and 890,000 jobs to the UK.

The British Fashion Council (BFC) is a not-for-profit organisation that aims to further the interests of the British fashion industry and its designer businesses by harnessing and sharing collective knowledge, experience and resources of the sector. Based in London and formed in 1983, the BFC is funded by industry patrons, commercial sponsors and the government including the Mayor of London, Department for International Trade (DIT) and the European Regional Development Fund.

Central to the BFC's strategy is the Institute of Positive Fashion, established to accelerate positive change through the key pillars of the environment, people and community & craftsmanship. Built around this is the BFC's support of the industry under three strategic themes: Supporting excellence in design, Empowering Growth and Communicating Positive Change. The BFC showcases the best of British fashion design to international audiences including press, buyers and consumers through London Fashion Week and London Fashion Week Men's, its biannual showcases of womenswear and menswear respectively. In a normal year, through LONDON show ROOMs the BFC gives emerging designers the opportunity to promote themselves overseas in key markets including Paris. The BFC also organises the Fashion Awards, the annual celebration of excellence within the industry. The Fashion Awards are the fundraiser for the BFC Foundation, which aims to improve equality and opportunity so that the fashion industry remains diverse and open to all, helping talented designers at all stages of their career, from school level through to becoming a global fashion brand, through scholarships, grants and mentoring.

#### **1. What progress has been made in reducing the environmental and social impact of the fashion industry since the Fixing Fashion report came out?**

The BFC has taken significant steps to galvanising its Positive Fashion agenda, having launched the Institute of Positive Fashion (IPF) in 2019.

Established by the British Fashion Council, led by a steering committee of industry experts, supported by advisory groups comprising industry, government and academia,

the IPF seeks to help the British Fashion Industry lead in the goal to be more resilient and circular through global collaboration and local action. The focus is to look at where interventions will accelerate change to create a positive future. The IPF will address change in key areas of Environment, People, Craftsmanship & Community through collaboration & education, representation, innovation, and communication.

By leveraging global expertise and resources the IPF will adopt standards, develop and establish frameworks, to reset and create a new blueprint for the industry. Through identifying common challenges, we are on the way to collective action and investment in innovation to make a difference.

The inaugural project of the IPF, The Waste Ecosystem Project, launched in October 2020 under the Environment Pillar seeking to address the environmental impact of the UK fashion Industry by moving our industry to being more circular.

## **2. What impact has the pandemic had on fashion waste?**

Lockdown caused a significant reduction in demand and sales across wholesale and retail overnight.

At the start of the UK lockdown in March, the BFC heard from small brands, designers and larger businesses on their experiences. Collectively, there was recognition of an influx of fashion waste. Brands have been sitting on overstock, raw material surplus, semi-finished products and spring/summer 2020 stock.

This resulted in an inventory crisis, presenting itself as a significant issue across all segments of the fashion industry, with impact being felt throughout supply chains.

Cancelled orders across global supply chains have been impacting people. It is important for discussions on the pandemic to include the people impact – there has been an extensive loss of livelihoods in many countries.

We know that the primary concern which existed before the crisis will only worsen post-crisis; existing sourcing models and approach to supply chains will no longer be fit-for-purpose due to the need for more agility and minimising the inventory levels.

The following areas have been identified to be addressed:

- There is a need to understand immediate actions to be taken that are responsible and sustainable in nature
- There are immediate actions needed to enable improved sustainable sourcing
- There is a focus on improved recycling and upcycling to manage textile waste
- Need to build the UK capacity in this regard and find solutions to enable sustainable operations
- Businesses need to move to new models which embrace circularity and regenerative solutions
- Technology is playing a larger role in operations now and can continue in the future

- A sustainable future must mean reducing impact to the planet in concert with ensuring our supply chains are equitable
- Could this be the time for on-shoring or near-shoring models with respect to production

How to protect revenues and costs is the main pressure on brands, but also ensuring an approach to responsibly protect our supply chains and build resilience, to enable businesses to restart when operations increase. There is no return to business as usual. Collaboration across the industry is essential to address the Paris Agreement Target and significantly decarbonise the industry.

**3. What impact has the pandemic had on the relationship between fashion retailers and suppliers?**

The impact of the pandemic has been the change in relationships and breakdown of relationships and transactions across fashion supply chains, both upstream and downstream of designer businesses. In a report for the British Fashion Council by Oxford Economics it was found that analysis of the BFC Covid Fund applicants showed that 73% of fashion designers had experienced cancelled orders by retailers, leaving them with finished, semi-finished and raw materials that they are unable to sell.

The BFC has been working closely with retailers, and through government with the Small Business Commissioner, to impress the need for large retailers to support small businesses by part paying for cancelled goods and cancelling sell-through guarantees on orders accepted.

**4. How could employment law and payment of the minimum wage be more effectively enforced within the UK fashion industry?**

No comment

**5. What are the pros and cons of proposals to license factories or more strongly regulate purchasing practices?**

No comment

**6. What would be the most effective measures industry or Government could put in place to ensure that materials or products made with forced or prison camp labour are removed from the supply chain?**

No comment

**7. How can any stimulus after the Coronavirus crisis be used to promote a more sustainable fashion industry?**

The BFC has been in conversations with industry, academia and government around the support of the industry needs to innovate to significantly reduce its impact on the environment. Through an industry led strategy that focuses on R&D, supported by academia where appropriate to create a new eco-system for the fashion industry that will see smarter manufacturing, waste management, re-cycling, upcycling and new

business models to create a better circular fashion economy that significantly reduce the amount of waste and the industry's impact on both environment and people.

**8. Is the Sustainable Clothing Action Plan adequate to address the environmental impact of the UK fashion industry? How ambitious should its targets be in its next phase?**

Science-based targets are key. Global warming must be limited to 1.5 degrees C per the Paris Climate Agreement. All industries and sectors should collectively work towards this goal.

A key component is to be significantly more ambitious as a country in our efforts and targets. The UN calls 2020s the decade to deliver, and we as an industry must understand what it takes to become net carbon zero by 2030 and not 2050.

Plans should not be labelled as ambitious, as this can be a deterrent for action.

Instead, we propose that targets and objectives should be laid out with overview of the practical steps needed across our industry, academia, government to meet science-based targets. These targets can also look to other nations for examples of best practice to apply to the UK, including EPR for fashion brands per the Netherlands, increase tax incentives to produce garments made with circular processes, include design for circularity and moving away from linear chains in education, promote use of reuse and extend life of garments.

Incentives for UK manufacturing to move to green energy will be essential for action now, not in 5 years time or when cash reserves allow, if at all.

**9. What actions could Government take to improve the collection of fashion waste?**

Understand what the UK path is to become a world-leading circular industry in the UK.

Research and review into data points for co-ordinated, both consumer and industry facing collection and recycling; including from businesses, small designers, and household textiles, all currently going to landfill and incineration.

Consolidate approach to infrastructure into a single approach over all local authorities for ease of collection and understanding by consumers.

**10. What actions could the Government take to incentivise the use of recycled or reused fibres and materials in the UK fashion industry?**

Coordinated collection of fashion waste should feed into coordinated supply chains for the use of recycled or reused fibres and materials. This should be underpinned by support of innovation, R&D into materials and their re-use.

Provide tax reduction or credits, relief on sustainable garments or re-use of materials.

**11. How could an Extended Producer Responsibility scheme for textiles be designed to incentive improvements in the sustainability of garments on sale in the UK?**

No comment